

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
OCTOBER 19, 2011

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, October 19, 2011, at the hour of 6:00 P.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:

Kenneth Ayers, President
Kevin Kellems, Vice-President
Mike Terry, Director
Pamella Bennett, Director

The following Director was absent:

Paul Shouse, Director

Also present were the following:

Sam Massey, General Manager
Joan Eaton, Secretary/Treasurer/Administration Supervisor
Randy Bobroff, Water Division Supervisor
Trevor Miller, Wastewater Treatment Division Supervisor
Isaiah Hall, Collections Division Supervisor
Tony Grabow, Fire Chief
Mike Riddell, Attorney, Best, Best & Krieger
Brian Thomas, Engineer, Engineering Resources

Visitors present were:

Gerhard Hilgenfeldt, Customer
Ed Brittain, Consultant

The meeting was called to order at 6:05 P.M. by President Ayers and Director Bennett led the Assembly in the Pledge of Allegiance.

Called to Order and
Pledge of Allegiance

Visitors Gerhard Hilgenfeldt and Ed Brittain were introduced for the record. Ed Brittain will be replacing Director Kevin Kellems' seat on the Board of Directors in December 2011.

Visitors

Fire Chief Grabow introduced Michael Scotti, Paid Call Firefighter for 10 years of service with the District and stated he was pleased to announce that Firefighter Scotti recently graduated from Paramedic School. Paid Call Firefighters Bryer and Norbryhn were not able to attend the Board Meeting due to a conflict in scheduling

Acknowledgements

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Board Meeting Minutes September 21, 2011 Upon motion by Vice-President Kellems, second by Director Bennett and carried by a 4 to 0 vote, with Director Shouse absent, the Regular Board Meeting minutes of September 21, 2011 were approved.

September Expenditures Upon motion by Director Bennett, second by Director Terry and carried by a 4 to 0 vote, with Director Shouse absent, the expenditures and the Revenues over Asset Report through September 30, 2011, were approved.

OPERATIONAL REPORTS (Water) Supervisor Bobroff opened by stating there was one water leak in the Brookings service line that required shutting down the Weiss Canyon well for flushing. Supervisor Bobroff then reported on a fire hydrant that was damaged by a car on Running Springs School Road and required replacement. The approximate cost of the new hydrant was \$2,000 and Supervisor Bobroff continued by reporting on the condition of fire hydrants in the District that were installed in the early years of 1960. Supervisor Bobroff also mentioned that he spoke with several customers regarding relocation of water meters and the Back Lot Project will be considered in the spring of 2012.

In closing, Supervisor Bobroff reported on water loss and stated the District is at approximately 6.3% with a national average of 8% to 10%. Manager Massey confirmed that every water system in the United States has water loss and stated that Lake Arrowhead Crestline Water Agency recently reported water loss of 20%. Director Kellems requested information regarding water production for the last ten (10) years and Supervisor Bobroff confirmed that he will provide a report and added the District has purchased less water from Arrowbear Park County Water District and Crestline Lake Arrowhead Water Agency this last year. Manager Massey stated that he did not have statistics regarding consumption level changes for the past year.

(Treatment) Supervisor Miller reported on the Wastewater Treatment Plant Expansion Project construction and stated that the target for completion is Thanksgiving. Discussion continued regarding the Spray Irrigation report and Supervisor Miller confirmed that one pond is full and twelve are empty. Director Kellems asked if the October rainfall had any effect on the plant and Supervisor Miller responded that there was no change in the total flows.

(Collections) Supervisor Hall reported that everything was going well in the Collections Department and stated they received the spare pump for Lift Station #1 from Evans-Hydro and have taken the weaker pump down to be rebuilt. Supervisor Hall continued by stating the Sewer Sag project will begin on October 20, 2011 and all projects are on schedule before winter. Discussion continued regarding the Souter Project that is being developed by James Hess and Supervisor Hall noted that the project consists of nine (9) undeveloped lots with infrastructure. Engineering Resources is assisting with the inspection process to ensure the infrastructure meets District standards. The District is adding four (4) manholes and 600 feet of infrastructure in the project.

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Chief Grabow opened by thanking Supervisor Hall for participating in the the confined space drill and then mentioned that the Fire Department attended an assembly at Charles Hoffman Elementary School last week that was followed by an open house. The department will return to the school for additional “shake up” and “classroom rescue” presentations in the next few days. Director Kellems had questions about the Fire Department detail statistics report and asked if the fires listed were car or residential fires. Chief Grabow confirmed that there were no residential fires within the last month. Chief Grabow clarified the category of investigation and stated it would be any reported fire.

(Fire Department)

The State Controller’s office has required that the District complete the Government Compensation of California report for calendar year 2010 to capture the salary and compensation data for every position of the Running Springs Water District. Supervisor Eaton stated that the October 18, 2011 deadline was met and the report has been filed. The information will be available on the State Controller’s website at www.sco.ca.gov.

(Administration)

The Administration Department participated in the Emergency Services Day that was held on October 15, 2011 in conjunction with the Fire Department and California Highway Patrol. Toni Nicassio, Receptionist/Secretary represented the District and distributed informational materials to the community.

Supervisor Eaton reported on the California Public Employees Retirement System (MyCalPERS) computer program and stated the upgrade transition has begun and has required extensive training for the Administration staff. The new system will streamline many CalPERS processes and will position CalPERS to offer individual retirement information to members online.

The June 30, 2011 Audit Presentation will be delivered to the District at the November 16, 2011 Regular Board Meeting by representatives from Teaman, Ramirez and Smith and our Financial Consultants, Nancy O’Rafferty and Scott Manno.

Supervisor Eaton mentioned that Director Kellems will be leaving the Running Springs Water District Board of Directors and reminded Ed Brittain who will be replacing Director Kellems, that he will take the oath of office on December 2, 2011. Supervisor Eaton thanked Director Kevin Kellems for supporting the District by reviewing and proofreading the draft versions of the Board Meeting minutes each month.

(General Manager) As requested by the Board of Directors at the September Board Meeting, Manager Massey confirmed that he has mailed a welcome letter to our new Supervisor Janice Rutherford who became our Supervisor on November 1, 2011, as a result of redistricting. A thank you letter was also mailed to Supervisor Neil Derry. Manager Massey stated that Supervisor Rutherford has already responded to the letter and copies of the letters and her response was provided to the Board for their information. This item will be discussed later in the meeting.

Manager Massey then reported that on September 29, 2011, he attended a breakfast in Fontana to meet Supervisor Rutherford and noted that she was genuinely interested in the Running Springs Water District. Manager Massey mentioned that he has invited Supervisor Rutherford to tour the District on November 4, 2011. Attorney Mike Riddell reminded the Board that if three or more Board members are present for the tour, the District will be required to post the meeting agenda. President Ayers and Director Bennett are currently scheduled to attend the meeting and the remaining Board members will notify Manager Massey if they decide to attend the tour meeting on November 4, 2011. Supervisor Rutherford has scheduled a breakfast on the mountain on November 18, 2011 at Woody's Boathouse in Lake Arrowhead that is open to the public.

Consolidation of
Special Districts

Manager Massey then updated the Board regarding possible consolidation of the Special Districts and stated a meeting was held on October 14, 2011 with the CSA 79 Advisory Commission and the Running Springs Water District Ad Hoc Committee to review the proposed new boundary map and pros and cons of consolidation. Manager Massey presented a five (5) year plan to the Committee and stated that it may take five years to ensure the consolidated system is up to our standards. Discussion continued regarding Board representation and issues of a consolidated District. President Ayers stated a meeting will be scheduled with the Green Valley Lake community to determine if they are interested in consolidation. If the Green Valley Lake community does not concur, President Ayers stated that consolidation discussions will end. If they do concur, the next step will be to contact the Running Springs Chamber of Commerce to discuss consolidation issues with the business community. Lastly, a meeting will be held with the Running Springs Water District community. Supervisor Eaton will send a copy of the October 14, 2011 Committee Meeting packet to all board members for their information and review. Visitor Hilgenfeldt asked about the advantage of consolidation and Manager Massey responded that the Running Springs Water District will hire two (2) additional employees and be able to resolve the inflow and infiltration issues from Green Valley Lake into our treatment facilities. President Ayers added that another advantage is that with consolidation, Running Springs Water District would receive tax dollars for the fire services provided to Green Valley Lake.

Supervisor Miller then updated the Board regarding the Wastewater Treatment Plant Outfall Line issue as discussed in the September Board Meeting. Supervisor Miller stated that the District met with the Department of Fish and Game and there will be no enforcement regarding the temporary diversion structures that are in the creek. Supervisor Miller stated that Tom Dodson and Associates should have no problem obtaining the permits and they have prepared a power point presentation for the Department of Fish and Game that details the repair and provides the current status of the structures. Supervisor Miller added that the current outfall line will remain for one more winter and no additional work is required for the temporary structure. In closing, Supervisor Miller stated the creek must be dry to complete the repairs, with September or October the most opportune time. Supervisor noted that the permits will be in effect for five (5) years.

Outfall Line Repair

The Board and staff again briefly discussed the letters to the Supervisors. Manager Massey stated that Mark Taylor is Janice Rutherford's Deputy Chief of Staff. The new District will extend to Green Valley Lake.

Letters to County Supervisors

Supervisor Hall reported on the Assessment District #7 Point Repair Project Change Order No. 1 and stated the project that began on September 26, 2011 had an issue when the water and sewer markings for Point Repair No. 1 were incorrect, resulting in the entire job being hand dug in addition to thirty (30) square feet of additional road removed and repaved. As a result of Resolution No. 15-11, Establishing a Policy for Inviting Competitive Bids for Public Works Projects and Authorizing the General Manager to Execute Change Orders up to \$5,000 with the Concurrence of the Board President, Change Order No. 1 was approved by President Ayers and Manager Massey in the amount of \$1,095.00 to compensate Bacon Wagner Excavating for additional services required on Point Repair No. 1 of Assessment District #7 Point Repair Project. The original Contract Change Order No. 1 will be revised in the paragraph that reads 3 point repairs to read 1 point repair.

Assessment District #7 Point Repair Project Change Order No. 1

Chief Grabow reported on a letter the District received from a property owner regarding annual weed abatement issues of an adjacent property. Chief Grabow stated that the customer was satisfied after providing information regarding Ordinance No. 36 and No. 37 that explains the District process in dealing with weed abatement situations.

Property Owner Letter Annual Weed Abatement

Ordinance No. 37, Chief Grabow then reported on Ordinance No. 37 and stated the Ordinance Establishing was initially reviewed at the September Board Meeting, but required Procedures and Fees revisions that include the fees and terminology for providing notice to abate For Providing Notice To Abate Weeds and Fire Hazard Waste Upon Real Property weeds and fire hazard waste upon real property. President Ayers stated the Ordinance can be modified and streamlined at a later date if needed. Upon motion by President Ayers, second by Director Terry and carried by a 4 to 0 vote with Director Shouse absent, ORDINANCE NO. 37, ESTABLISHING PROCEDURES AND FEES FOR PROVIDING NOTICE TO ABATE WEEDS AND FIRE HAZARD WASTE UPON REAL PROPERTY, was adopted. (Ordinance No. 37 on file in the District office)

Roll call was taken for each Board member regarding Ordinance No. 37 as follows:
President Kenneth Ayers – Aye
Vice-President Kevin Kellems – Aye
Director Pamella Bennett – Aye
Director Mike Terry – Aye

California Special Districts Association Request for Committee Volunteers The California Special Districts Association (CSDA) has requested volunteers from the Running Springs Water District to participate and contribute on one or more CSDA committees. After further discussion that included concerns regarding the costs to travel to Sacramento to attend a committee meeting, there was no motion made on this agenda item.

Radio Communication Site Survey by Tesco Controls, Inc. Supervisor Hall stated that at the September 21, 2011 Board meeting, it was announced that the District had been contacted by the Riverside University Police Department stating that the District telemetry radio frequency was bleeding onto their police frequency resulting in a safety issue. Supervisor Hall stated a meeting was scheduled on September 27, 2011 with Tesco Controls, Inc. to review the site in question and it was determined that the radio frequency is within an acceptable range, however, further testing will be required to get a conclusive answer to the issue. Tesco has recommended an in-depth radio communication survey at a cost of \$16,935.00 which will reveal the issue, set the correction process and meet the narrow banding requirement by the Federal Communication Commission (FCC) of January 2013. Discussion continued regarding the survey and costs associated with the project and President Ayers expressed concern that if the District utilized Tesco for the survey, we would be locked into using Tesco for the upgrade. Supervisor Hall mentioned that the District has extensive working history with Tesco and Engineer Thomas added that the District could use the bid process utilizing three separate companies for the upgrade. Manager Massey stated the main concern is that our sites communicate properly and that the District is in compliance with the FCC regulations. Upon motion by Director Terry, second by Director Bennett and carried by a 4 to 0 vote with Director Shouse absent, the Radio Communication Site Survey by Tesco Controls, Inc. at the not to exceed cost of \$16,935.00, utilizing leachate funds, was approved.

Supervisor Miller reported on the condition of the Wastewater Treatment Plant Road and stated that after years of snow plowing and daily use for access to the plant, the road is in need of repairs. The repairs are needed to maintain access to the Treatment Plant for the operations staff as well as the contractors that provide services to the plant. Supervisor Miller provided details regarding the point repairs and stated the cost of repairs will not exceed \$13,500 based on the square footage of the repair sites and after consulting with two (2) local contractors. Supervisor Miller then recommended that the District utilize GM Excavating for the repairs at a cost of \$5.00 per square foot. Supervisor Miller stated that the repairs were not included in the 2011/12 Wastewater Department Budget and because of this, he asked that the repairs are made utilizing the leachate revenue that has a current balance of \$640,516. The repairs will ensure the integrity of the road throughout the winter and allow time to consult with the District engineer and develop a cost effective repair of the entire Treatment Plant access road. President Ayers expressed concern with the cost of repairs when the road will require complete replacement next year. Discussion continued regarding the degradation of the road and Engineer Thomas stated that the patched asphalt will support the foundation of the new road. Upon motion by Director Bennett, second by Director Terry and carried by a 4 to 0 vote, with Director Shouse absent, the Treatment Plant Road Paving Project at a cost not to exceed \$13,500 utilizing leachate funds was approved.

Wastewater Treatment
Plant Road Paving
Project

Chief Grabow stated the Fire Department would like to surplus radio equipment that no longer meets the Fire Department standards due to narrow banding and group compatibility. A description list of the equipment that is declared of no value was provided to the Board for review. The radios have been replaced with current standard equipment through grant funds over the last several years. Upon motion by Vice-President Kellems, second by Director Bennett and carried by a 4 to 0 vote, with Director Shouse absent, to Declare the Fire Department Radio Equipment Surplus, was approved.

Fire Department
Surplus Radio
Equipment

Engineer Thomas reported on the Ferndale Retaining Wall Project that is almost complete. Engineer Thomas explained the additional field changes that were made to the wall as opposed to the last drawings that were submitted. Engineer Thomas added that Mr. Bishay said that he was appreciative of the support and assistance he received from the District during the duration of the project.

Engineer's Report

Supervisor Hall acknowledged Harry Cain from Engineering Resources for his support with the inspection process of various District projects.

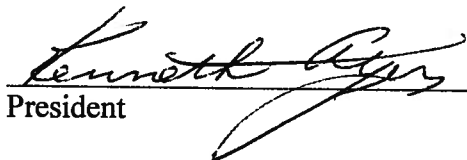
Attorney's Report Attorney Riddell opened by reporting on the Chabad property delinquencies and stated a lawsuit has been filed that includes serving Wells Fargo Bank who has until next week to pay the delinquency or file an answer. Discussion continued regarding the Chabad property and Attorney Riddell will research the issue further.

The State Water Contractors meeting will be held on October 20, 2011 and Attorney Riddell provided an update on the abundant water supply issues and Delta improvements that require federal government authorization. Attorney Riddell stated that the federal agencies that were resistant are now more cooperative and the projected amount required to complete the project is approximately 10 to 12 billion dollars. Discussion continued regarding the project and Attorney Riddell stated a water bond measure will be on the 2012 ballot for the environmental improvements.

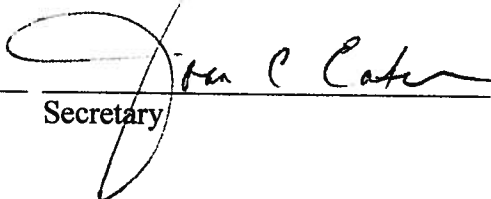
In closing, Manager Massey reported the District has received a check in the amount of \$77,000 from CalEMA for reimbursement of the December storm damage.

Adjournment With there being no further information to discuss, the meeting was adjourned at 8:25 P.M.

Respectfully Submitted,



President



Secretary